

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1237-02
Bill No.: HB 609
Subject: Insurance - Medical; Insurance - Automobile; Medicaid; Insurance Dept.
Type: Original
Date: March 8, 2011

Bill Summary: Establishes the Show-Me Health Insurance Exchange Act.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health and Senior Services, Missouri Department of Transportation, Department of Mental Health, Office of the Governor, Missouri Consolidated Health Care Plan, Missouri Department of Conservation, Missouri Senate and Office of State Auditor** assume the proposal would have no fiscal impact on their agencies.

Officials from the **Office of Administration - Division of Budget and Planning (BAP)** defer to the Department of Insurance, Financial Institutions, and Professional Registration for a specific estimate of costs and/or revenues associated with this proposal.

Officials from the **Department of Social Services** defer to the Department of Insurance, Financial Institutions, and Professional Registration for response regarding the potential fiscal impact of this proposal.

Officials from the **Department of Public Safety - Missouri State Highway Patrol** defer to the Missouri Department of Transportation for response regarding the potential fiscal impact of this proposal on their organization.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal is less than \$2,500. The SOS does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the SOS can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the costs of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

Officials from the **Department of Insurance, Financial Institutions, and Professional Registration (DIFP)** state HB 609 as proposed is not anticipated to have a fiscal impact on the direct revenues and costs of Missouri state government (no fiscal impact). Federal implementation grants are available for the establishment and procurement of the exchange and its infrastructure. Federal funding for implementation of exchanges does not require a state match and provides for incremental expenses incurred through the end of 2014.

Federal law requires that an exchange be self-sustaining by January 2015. As proposed in the bill, the Show-Me Health Insurance Exchange will charge assessments and user fees to health carriers and health benefit plans operating in Missouri to fund the exchange operation. Therefore, there will be no additional cost to the state.

ASSUMPTION (continued)

Officials from the **Missouri House of Representatives** did not respond to **Oversight's** request for a statement of fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

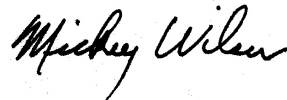
The proposed legislation appears to have no fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration -
 Division of Budget and Planning
Department of Insurance, Financial Institutions, and Professional Registration
Department of Mental Health
Department of Health and Senior Services
Department of Social Services
Missouri Department of Transportation
Department of Public Safety -
 Missouri State Highway Patrol
Office of the Governor
Missouri Consolidated Health Care Plan
Missouri Department of Conservation
Office of State Auditor
Missouri Senate
Office of Secretary of State

NOT RESPONDING: Missouri House of Representatives

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 8, 2011